

Message Text

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DRAFTED BY S/AB:AMB BUNKER (SUBS)

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TO DOD IMMEDIATE

S E C R E T STATE 234155

EXDIS MILITARY ADDEE HANDLE AS SPECAT EXCLUSIVE

FOLLOWING REPEAT PANAMA 5786 ACTION SECSTATE 22 SEPT

QUOTE

S E C R E T PANAMA 5786

EXDIS

FOR AMBASSADOR BUNKER AND ASSISTANT SECRETARY ROGERS FROM AM-
BASSADOR

E.O. 11652: XGDS

TAGS: PFOR, PN

SUBJECT: TALK WITH TORRIJOS

REF: PANAMA 5785

1. SUMMARY: TORRIJOS TOLD AMBASSADOR THAT DISCLOSURE OF
CERTAIN NEGOTIATING DETAILS HERE WAS NECESSARY TO QUIET RISING
DOMESTIC PRESSURES AND TO COUNTER LEAKS AND STATEMENTS IN U.S.
THAT GENERALLY FELT HERE PUT PANAMA IN UNTENABLE POSITION. HE
REGRETTED ANY EMBARRASSMENT IT MAY HAVE CAUSED AND ADMITTED IT
WAS PROBABLY NOT HANDLED WELL AS IT COULD HAVE BEEN. HE EMPHASIZED
THAT THIS WAS NOT A NEGOTIATING GAMBIT, LET ALONE A SIGNAL THAT
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PANAMA WISHED TO SEE TALKS WITH US STOPPED OR POSTPONED. HE
SUGGESTED WE CONSIDER CONTINUING TALKS IN SOMEWHAT DIFFERENT
FORMAT, WITH EMPHASIS ON POINT-BY-POINT DISCUSSION OF KEY ISSUES
BUT WITH NO OR MINIMUM USE OF FORMAL PAPERS. HE REPEATED HIS

STRONGLY FELT THESIS THAT CANAL SETTLEMENT IS PARAMOUNT FOR HIS COUNTRY--AND FOR HIM--WHILE IT IS TERTIARY AND PERIPHERAL FOR U.S. HE RETAINS STRONG FAITH IN PRESIDENT FORD, KISSINGER, BUNKER AND JOINT CHIEFS OF STAFF.

2. I CALLED GENERAL TORRIJOS LAST NIGHT AND SUGGESTED THAT A TALK WOULD BE USEFUL. HE CALLED ME TODAY AND WE SPENT ABOUT AN HOUR AND A HALF TOGETHER. IT WAS CANDID AND USEFUL EXCHANGE HELPING TO CLEAR AIR THAT HAS BECOME INCREASINGLY CLOUDED OF LATE.

3. I BEGAN CONVERSATION--HELD AT RORY GONZALEZ' HOUSE--BY EXPRESSING MY GRAVE DISAPPOINTMENT WITH REVELATION YESTERDAY OF LARGE NUMBER OF DETAILS IN U.S.-PANAMA NEGOTIATIONS. I UNDERLINED THAT I WAS SPEAKING PERSONALLY AND NOT UNDER FORMAL INSTRUCTIONS. ON THAT BASIS, I SAID I REGRETTED HE HAD NOT AT LEAST GIVEN US SOME ADVANCE WARNING OF HIS PLANNED COURSE AND CHANCE TO COMMENT ON SAME. I SAID I THOUGHT HE CONSIDERED ME A FRIEND OF PANAMA AS WELL AS JUST ANOTHER AMBASSADOR, AND THIS WAS NOT THE WAY FRIENDS DEALT WITH ONE ANOTHER. I SAID I HAD NOT TALKED WITH AMBASSADOR BUNKER SINCE THIS DISCLOSURE BUT I WAS CERTAIN HE WOULD BE DEEPLY DISAPPOINTED. HE HAD SPENT MORE THAN AN HOUR LAST WEEK WITH REPRESENTATIVES OF CANAL ZONE AND TIME AFTER TIME HAD EXPLAINED TO THEM THAT HE COULD NOT ANSWER SOME OF THEIR SPECIFIC QUESTIONS BECAUSE IT WOULD VIOLATE THE CONFIDENTIALITY OF NEGOTIATIONS. NOW PANAMA GOVERNMENT HAD ONCE AGAIN REAFFIRMED CONTENTION MADE BY MANY ZONIAN--THAT THEY HAD TO RELY ON PANAMANIAN SOURCES FOR INFORMATION WHILE THEIR OWN GOVERNMENT TOLD THEM LITTLE OR NOTHING.

4. I SAID WE REALIZED THAT SECRETARY'S STATEMENT AT GOVERNORS CONFERENCE HAD CAUSED PROBLEMS FOR PANAMA--ESPECIALLY REFERENCE TO QUOTE UNILATERAL UNQUOTE DEFENSE RIGHTS AND AN QUOTE INDEFINITE UNQUOTE PERIOD. BUT I NOTED THAT AMBASSADOR BUNKER'S MESSAGE TO TACK AND SECRETARY'S OWN MESSAGE TO TORRIJOS HAD, WE THOUGHT, CLARIFIED THAT ISSUE COMPLETELY. TORRIJOS SAID THE TWO MESSAGES WERE VERY GRATEFULLY RECEIVED BUT HE NOTED THAT
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KISSINGER MESSAGE HAD COME AFTER WHEELS OF RELEASE OF PANAMA'S STATEMENT HAD ALREADY TURNED TOO FAR TO REVERSE.

5. TORRIJOS SAID HE FELT IT WAS USELESS TO GET INTO A LONG DEBATE ABOUT WHO HAD DONE WHAT AND WHO WAS TO BLAME. HE NOTED THAT KISSINGER STATEMENT HAD HIT LIKE AN EXPLOSION HERE--ESPECIALLY AFTER GOP HAD ONLY TWO MONTHS AGO GONE TO GREAT LENGTHS TO EXPLAIN TO ITS PEOPLE THAT QUOTE JOINT DEFENSE UNQUOTE WAS BASIC TO OUR AGREEMENT. HE SAID HE AND HIS COLLEAGUES HAD READ IN NEW YORK TIMES DETAILS ON QUOTE NEW UNQUOTE BUNKER PROPOSAL EVEN BEFORE IT HAD BEEN MADE AT CONTADORA TOLKS. FINALLY, HE SAID, HE HAD ASSUMED WE WOULD BE MAKING SIGNIFICANTLY NEW PROPOSALS FOLLOWING CLEMENTS-BROWN-ROGERS VISIT AND REPORTS IN U.S. OF BREAKTHROUGH

IN U.S. LOGJAM RE CANAL PROBLEM. BUT HIS NEGOTIATORS FOUND OUR LATEST PROPOSAL LITTLE DIFFERENT FROM OUR PREVIOUS STAND. IN OTHER WORDS, PANAMA'S HIGH EXPECTATIONS (SELF-INDUCED TO A LARGE EXTENT) HAD BEEN PROFOUNDLY DISAPPOINTED. I NOTED THAT AFTER OUR LENGTHY EXPERIENCE WITH THESE TALKS I WOULD HAVE THOUGHT THE PANAMANIAN KNEW THAT WE FULLY EXPECTED THEM TO COME BACK TO US WITH SERIOUS PROPOSALS OF THEIR OWN ON THESE SUBJECTS. WE HAD BEEN DISAPPOINTED THAT THEY SIMPLY CONFINED THEMSELVES TO COMPLAINING ABOUT OUR POSITIONS.

6. TORRIJOS SAID HE UNDERSTOOD AND REPEATED THAT HE FELT IT WAS NOT USEFUL TO REVIEW HISTORY AND TRY TO AFFIX BLAME TO EACH OTHER. I AGREED THERE WAS SOME FAULT ON BOTH SIDES AND REAL QUESTION WAS WHERE WE GO FROM HERE. FOR EXAMPLE, DID THIS LATEST MOVE INDICATE A WISH TO CALL A TEMPORARY HALT TO TALKS? HE INSISTED IT MEANT NOTHING OF THAT KIND. HE WANTED THE TALKS TO CONTINUE. HE FELT THE VERY EXISTENCE OF NEGOTIATIONS WAS HELPFUL TO BOTH SIDES. BUT HE SAID PERHAPS WE SHOULD CONSIDER MAKING THEM MORE INFORMAL WITH LESS RELIANCE ON QUOTE PAPERS AND POSITIONS UNQUOTE. ALL THESE PAPERS, HE SAID, INCREASE THE CHANCES OF LEAKS. HE SUGGESTED WE SIMPLY TAKE UP THESE PROBLEMS POINT BY POINT ORALLY UNTIL WE HAVE REACHED A GOOD UNDERSTANDING AND GENERAL AGREEMENTS ON THEM. THEN, HE SUGGESTED, THE WRITING OF A TREATY QUOTE SHOULD TAKE NO MORE THAN TEN DAYS WHEN THE TIME COMES UNQUOTE.

7. TORRIJOS EXPRESSED FULL UNDERSTANDING THAT CONCLUSION OF A TREATY WAS, FROM THE U.S. VIEWPOINT, INTIMATELY CONNECTED WITH
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THE ELECTORAL PROCESS AT HOME. HE ACCEPTS THE FACT THAT WE CANNOT EXPECT A FINAL TREATY UNTIL LATE NEXT YEAR. HOWEVER, HE STRONGLY WISHES THAT WERE NOT TRUE. FOR EXAMPLE, VICE PRESIDENT GERARDO GONZALEZ--WHO JOINED US NEAR THE MIDDLE OF THIS CONVERSATION--DESCRIBED HOW DESIRABLE IT WOULD BE TO CONCLUDE A TREATY IN TIME FOR THE PLANNED GATHERING OF ALL PRESIDENTS AND GOVERNMENT LEADERS IN PANAMA NEXT JUNE. IT WOULD SET AN ENTIRELY NEW TONE TO TO U.S.-LATIN AMERICAN RELATIONS, HE ARGUED, AND GIVE PRESIDENT FORD A MAJOR FOREIGN POLICY ACCOMPLISHMENT THAT WOULD STRENGTHEN HIS WORLD IMAGE. TORRIJOS AGREED THIS WOULD BE A GRAND ACHIEVEMENT --IF IT WERE POSSIBLE FOR US. I AGREED IT WOULD BE A MAJOR ACCOMPLISHMENT--BUT DOUBTED IT WAS IN THE CARDS UNLESS MANY THINGS CHANGED THAT ARE NOT NOW FORESEEABLE.

8. HAVING ACCEPTED THE COLD FACT THAT A LONG DELAY SEEMS INEVITABLE BEFORE A TREATY IS ACCOMPLISHED, TORRPIOS STRESSED THE IMPORTANCE OF INTERIM STEPS THAT WILL HELP TAKE THE SPOT-LIGHT AWAY FROM TREATY TALKS THEMSELVES AND ASSIST HIM IN CONVINCING HIS PEOPLE THAT FORWARD MOVEMENT IS OCCURRING AND THAT THE U.S. UNDERSTANDS PANAMA'S SITUATION. HIS GREATEST CONCERN, HE SAID, WAS CONTINUED ECONOMIC STAGNATION. HE NEEDED THINGS THAT WOULD IMPROVE THE LOT OF HIS PEOPLE. ABOVE ALL, PANAMA NEEDED

PROJECTS THAT WOULD AMELIORATE THE PROBLEM OF DEEPENING UNEMPLOYMENT. THIS WAS NOT SOMETHING THAT COULD BE MET BY SMALL STEPS HERE AND THERE, HE SAID. HIS COUNTRY NEEDS PIERS AND DOCKS OF ITS OWN RATHER THAN HAVING TO DEPEND AS AT PRESENT ALMOST COMPLETELY ON THE CANAL ZONE. HE SAID THAT IN THIS RESPECT HIS COUNTRY WAS QUOTE ABOUT AS BAD OFF AS BOLIVIA UNQUOTE. HE SAID HE WOULD LIKE TO REVIVE THE QUESTION OF DRY-DOCK OPERATIONS IN BALBOA-- A PROJECT WHICH HE ADMITTED HIS OWN GOVERNMENT HAD EARLIER TURNED DOWN BECAUSE THE COMPANY INVOLVED WAS LARGELY CONTROLLED BY U.S. CAPITAL. BUT HE FELT THAT IT COULD BE DONE NOW WITH PANAMANIAN AND U.S. CAPITAL IF WE WOULD AGREE TO MAKE THE FACILITY AVAILABLE TO PANAMA. HE NOTED THAT IN EARLIER YEARS THE DRY-DOCK EMPLOYED FIVE THOUSAND PANAMANIAN. THAT KIND OF PROJECT, HE SAID, WOULD HAVE A MAJOR IMPACT ON THE COUNTRY'S ECONOMY-- AND ON HIS POLITICAL STRENGTH.

9. I TOLD HIM WE WOULD BE HAPPY TO LOOK INTO THIS AND OTHER PROJECTS THAT MIGHT HELP OVER THE NEXT YEAR OR TWO MAINTAIN THE IMPRESSION, AND THE FACT, OF FORWARD MOVEMENT AND COOPERATION.

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THE GENERAL STRESSED, AS HE HAS OFTEN WITH ME ON THE PAST, THAT WHAT WILL HELP IS ACTIONS, NOT JUST FRIENDLY WORDS. I SAID I UNDERSTOOD BUT I HOPED HE UNDERSTOOD THAT HIS BUSINESS OF FAVORABLE ACTIONS AND COOPERATION WAS A TWO-WAY STREET. HE SAID HE DID.

10. THE TALK WITH TORRIJOS, AND WHAT WE HAVE HEARD FROM OTHER SOURCES, PERSUADES ME AND MY COLLEAGUES HERE THAT THE PRIMARY PURPOSE OF THE DISCLOSURE OF NEGOTIATIONS BY THE GOP WAS TO QUELL DOMESTIC POLITICAL PRESSURES AND ATTACKS ON THE NEGOTIATING PROCESS ITSELF RATHER THAN BEING A GAMBIT IN THE TALKS. TORRIJOS AND OTHERS WERE UPSET BY THE SECRETARY'S WORDS. BUT WE BELIEVE THAT THE SUBSEQUENT CLARIFICATION--AND ESPECIALLY THE SECRETARY'S MESSAGE--HAVE EFFECTIVELY CONVINCED THEM THAT THE U.S. IS NOT BACKSLIDING ON ITS COMMITMENTS IN THE DECLARATION OF EIGHT PRINCIPLES. INDEED, IN THIS CONNECTION, TORRIJOS TOLD ME HE PLANNED NOT TO USE THE SECRETARY'S MESSAGE PUBLICLY BECAUSE HE THOUGHT NOW IT MIGHT CREATE SOME EMBARRASSMENT FOR KISSINGER IN SEEMING TO BACK AWAY FROM HIS QUOTE TOUGH UNQUOTE STATEMENT IN ORLANDO.

11. THE GOP PUBLIC REPORT WAS OBVIOUSLY DESIGNED TO PUT PANAMA'S GAINS TO DATE IN THE MOST FAVORABLE LIGHT WITH ITS OWN PEOPLE. THEREBY IT WOULD HELP ELIMINATE SUSPICION THAT A PANAMANIAN QUOTE SELL-OUT UNQUOTE WAS UNDERWAY. AT THE SAME TIME, THE REPORT DISTORTS THE U.S. POSITION ON SEVERAL ISSUES, MAKING THEM SEEM LESS FORTHCOMING THAN THEY ACTUALLY ARE. A PRIME EXAMPLE: THE ALLEGATION THAT WE WANT TO RETAIN QUOTE EIGHTY-FIVE PER CENT UNQUOTE OF THE ZONE.

12. IT IS WORTH NOTING THAT PANAMANIAN POSITIONS QUOTE EXPOSED

UNQUOTE IN THE REPORT HAVE ALL BEEN PREVIOUSLY--AND REPEATEDLY--
EXPOSED. FOR EXAMPLE, TORRIJOS AND OTHERS HAVE OFTEN SAID THEY
CANNOT AGREE TO GIVING US CONTROL OF THE CANAL AND THE RIGHT TO
HAVE MILITARY BASES FOR 50 YEARS. THEY HAVE ALSO PREVIOUSLY SAID
THAT PANAMA'S POSITION WAS THAT WE COULD HAVE ONLY THREE
MILITARY BASES. THEIR LANDS AND WATERS POSITION WAS PUBLICIZED
LAST JULY. WE DO NOT BELIEVE, THEREFORE, THAT THIS LATEST DIS-
CLOSURE COMIITS THE GOP MORE FIRMLY THAN IT IS ALREADY COMMITTED.
THE EXAGGERATION OF U.S. POSITIONS ON SOME ISSUES MAY WELL BE
USEFUL LOCALLY IN JUSTIFYING LATER COMPROMISE BY PANAMA. IN
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FACT, THE PRESENT U.S. POSITION ON LANDS AND WATERS--WHEN
CLARIFIED AND PERHAPS REVISED--COULD BE REPRESENTED BY GOP AS
A CONSIDERABLE GAIN.

13. OUR TENTATIVE CONCLUSION IS THAT THE DISCLOSURES HAVE NOT
HAD AN ADVERSE LOCAL EFFECT ON GOP'S ALREADY LIMITED CAPACITY
TO BE FLEXIBLE. NOR HAS IT DAMAGED PUBLIC ACCEPTANCE OF NEGOTIATIONS.
THE DISCLOSURE HAS PROBABLY CLEARED THE AIR SOMEWHAT
HERE AND WE BELIEVE IT ENABLES TORRIJOS TO PROCEED ONCE AGAIN
WITH THE NEGOTIATIONS. AT THE SAME TIME, I THINK I HAVE MADE
ADEQUATELY CLEAR TO HIM THAT THIS COURSE OF UNILATERAL ACTIONS--
IF REPEATED--WILL HAVE THE MOST NEGATIVE EFFECT ON THE WHOLE
PROCESS OF OUR TALKS, AND ON OUR RELATIONSHIP.

JORDEN

UNQUOTE INGERSOLL

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